

ACTION EAP-00

RELEASED IN FULL

INFO	LOG-00	NP-00	AEX-00	CIAE-00	CPR-00	INL-00	DODE-00
	DOEE-00	DATE-00	SRPP-00	DS-00	EB-00	FAAE-00	UTED-00
	VC-00	H-00	TEDE-00	INR-00	IO-00	LAB-01	L-00
	VCE-00	AC-00	DCP-01	NSAE-00	NSCE-00	OMB-00	EPAU-00
	PA-00	PER-00	PM-00	PRS-00	ACE-00	P-00	SP-00
	SSO-00	SS-00	STR-00	TEST-00	USIE-00	EPAE-00	PMB-00
	DSCC-00	PRM-00	DRL-00	G-00	NFAT-00	SAS-00	/002W

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P 240133Z MAR 04
FM AMEMBASSY BANGKOK
TO SECSTATE WASHDC PRIORITY 1137
INFO ASEAN COLLECTIVE PRIORITY
AMEMBASSY TOKYO PRIORITY
AMEMBASSY SEOUL PRIORITY
AMCONSUL CHIANG MAI PRIORITY
DEPT OF TREASURY WASHDC PRIORITY
DEPT OF COMMERCE WASHDC PRIORITY
DEPT OF AGRICULTURE WASHDC PRIORITY

UNCLAS SECTION 01 OF 02 BANGKOK 002052

SENSITIVE

USTR FOR BWEISEL
COMMERCE FOR USFCS/IEP/EAP/JKELLY
TREASURY FOR OASIA

E.O. 12958: N/A

TAGS: PGOV, ECON, OVIP, TH
SUBJECT: SENATOR BAUCUS'S MEETING WITH THAI PRIME MINISTER
AND FOREIGN MINISTER: FTA AND OTHER TRADE ISSUES

1. (U) SENSITIVE BUT UNCLASSIFIED. PLEASE TREAT ACCORDINGLY.

2. (SBU) SUMMARY: SENATOR MAX BAUCUS, ACCCOMPANIED BY THE
AMBASSADOR, CALLED ON PRIME MINISTER THAKSIN SHINAWATRA ON
MARCH 19, 2004. THE SENATOR MET SEPARATELY WITH FOREIGN
MINISTER SURAKIART SATHIRATHAI, WHO ALSO JOINED THE
SENATOR'S MEETING WITH PRIME MINISTER THAKSIN. SENATOR
BAUCUS EXPRESSED HIS APPRECIATION FOR THAI COOPERATION IN THE
WAR AGAINST TERRORISM, ESPECIALLY THE PRESENCE OF THAI TROOPS
IN IRAQ AND, PREVIOUSLY, IN AFGHANISTAN. NOTING THAT HE WAS
A STRONG SUPPORTER OF LIBERALIZED TRADE AND INVESTMENT,
SENATOR BAUCUS SAID THAT HE WOULD BE A STRONG ADVOCATE OF THE
US-THAI FTA (FREE TRADE AGREEMENT). THE SENATOR RECOMMENDED
THAT THE THAI FTA TEAM PAY CLOSE ATTENTION TO THE PROTECTION
OF INTELLECTUAL PROPERTY RIGHTS AND BE SENSITIVE TO

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AGRICULTURAL CONCERNS IN THE UNITED STATES, ESPECIALLY IN REGARD TO SUGAR. SENATOR BAUCUS EXPRESSED HIS APPRECIATION FOR THE RTG DECISION TO LIFT THE BSE-RELATED BAN ON COWHIDES.

2. (SBU) PM THAKSIN WELCOMED SENATOR BAUCUS AS A &TRUE FRIENDS OF THAILAND. HE SAID THAT THE THAI SIDE LOOKED FORWARD TO CONCLUDING AN FTA WITH THE US, WHICH WOULD MAKE THAILAND AN EVEN MORE ATTRACTIVE DESTINATION FOR AMERICAN INVESTMENT. THAKSIN SAID THAT HE WAS SATISFIED WITH THE PERFORMANCE OF THE THAI ECONOMY, WHICH HAD RESPONDED WELL TO HIS ECONOMIC POLICY EMPHASIZING RURAL DEVELOPMENT. IN THE POLITICAL ARENA, HE SAID HE WAS CONFIDENT HE COULD WIN 400 OUT OF 500 SEATS IN THE NEXT PARLIAMENTARY ELECTIONS. FOREIGN MINISTER SURAKIART DISCUSSED THE SHRIMP ANTI-DUMPING PETITION, NOTING THAT THE RTG HAD NOT SUBSIDIZED SHRIMP PRODUCTION. END SUMMARY.

3. (U) SENATOR BAUCUS, ACCCOMPANIED BY A BUSINESS DELEGATION AND STAFF FROM THE SENATE FINANCE COMMITTEE, CALLED ON FM SURAKIART AND PM THAKSIN SEPARATELY ON MARCH 19. SURAKIART ALSO PARTICIPATED IN THE SENATOR'S MEETING WITH THE THAI PRIME MINISTER.

WAR AGAINST TERROR

4. (SBU) IN BOTH MEETINGS, THE SENATOR EXPRESSED HIS DEEP APPRECIATION FOR THE ROLE THAILAND HAD ASSUMED IN THE WAR AGAINST TERRORISM. IT WAS NOT AN EASY DECISION TO SEND TROOPS TO IRAQ, SENATOR BAUCUS TOLD THAKSIN. THE PRIME MINISTER RESPONDED THAT THAIS BELIEVED IN DOING THEIR DUTY. IN FACT, IN THE CURRENT ROTATION, THE ROYAL THAI ARMY HAD RECEIVED THREE-TIMES THE NECESSARY VOLUNTEERS.

5. (SBU) SURAKIART EXPLAINED THAT THAILAND HAD WORKED CLOSELY WITH THE UNITED STATES ON ALL ASPECTS OF THE WAR AGAINST TERRORISM. EXCELLENT INTELLIGENCE-SHARING HAD RESULTED IN THE CAPTURE OF HAMBALI. THAI SOLDIERS HAD BEEN IN AFGHANISTAN AND WERE NOW IN IRAQ. ON THE TRADE SIDE, THAILAND HAS BEEN AN ENTHUSIASTIC SUPPORTER OF SECURE TRADE, AND HAD PLAYED A LEADING ROLE IN INITIATIVES SUCH AS THE CONTAINER SECURITY INITIATIVE (CSI), SECURE TRADE IN THE ASIAN REGION (STAR) AND THE PISCES, WHICH WAS SIGNED DURING DHS RIDGE'S VISIT TO BANGKOK THE PREVIOUS WEEK.

FTA

6. (SBU) SENATOR BAUCUS SAID THAT HE WAS AN ENTHUSIASTIC

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SUPPORTER OF LIBERALIZED TRADE, PRESSING THE ADMINISTRATION TO NEGOTIATE MORE FTAS WITH COMMERCIALLY IMPORTANT PARTNERS. THEREFORE, HE WAS PLEASED THAT THE ADMINISTRATION HAD DECIDED TO LAUNCH NEGOTIATIONS WITH THAILAND, AN IMPORTANT PARTNER FOR US TRADE AND INVESTMENT. NEGOTIATIONS WILL NOT BE EASY, THE SENATOR NOTED. HE ADVISED THAKSIN AND SURAKIART TO BE CAUTIOUS IN APPROACHING THE US SUGAR MARKET. THIS WAS A SENSITIVE AREA, INVOLVING A NUMBER OF STATES, INCLUDING HIS OWN MONTANA, FAR BETTER PURSUED IN THE DOHA ROUND OF THE WTO NEGOTIATIONS. THE SENATOR ALSO SAID THAILAND SHOULD STRENGTHEN INTELLECTUAL PROPERTY PROTECTION, NOTING THAT SOME ESTIMATES SHOWED THAT 70 PERCENT OF SOFTWARE IN THAILAND WAS PIRATED. STRENGTHENING IP PROTECTION WOULD BE VERY HELPFUL IN REDUCING US DOMESTIC OPPOSITION TO FTAS, THE SENATOR SAID.

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LEGISLATORS WERE DEMANDING

THAT THE GOVERNMENT SEEK PARLIAMENTARY APPROVAL OF TRADE NEGOTIATIONS, THOUGH THAT WAS NOT WITHIN THE CONSTITUTION. THE PUBLIC MUST RECOGNIZE THAT TRADE NEGOTIATIONS ARE ALL ABOUT GIVE-AND-TAKE, HE SAID. IN THE END, BOTH SIDES WOULD WIN, BECAUSE ALL COULD GAIN FROM MORE TRADE.

8. (SBU) SURAKIART SAID THAT AFTER THE CONCLUSION OF THE US-THAI FTA, AMERICAN BUSINESSES COULD USE THAILAND AS A HUB. GOODS FROM THAILAND WOULD ENJOY PREFERRED ACCESS TO THE ASEAN MARKETS THROUGH THE ASEAN FREE TRADE AGREEMENT. MOREOVOER, THAILAND HAD CONCLUDED OR WAS CLOSE TO CONCLUDING TRADE AGREEMENTS WITH CHINA, INDIA, JAPAN AND AUSTRALIA. REGARDING IP PROTECTION, SURAKIART SAID THAT THE RTG FOLLOWED A POLICY OF STRICT ENFORCEMENT OF INTERNATIONAL COMMITMENTS VIA DOMESTIC LAW. THE GOVERNMENT DID NOT TOLERATE IP VIOLATIONS, HE SAID. HOWEVER, ENFORCEMENT HAD BEEN DIFFICULT BECAUSE OF THE LACK OF COOPERATION BY RIGHTS-HOLDERS.

9. (SBU) SENATOR BAUCUS SAID THAT THAI BUSINESSES SHOULD ALSO CONSIDER USING GREAT FALLS, MONTANA, AS A HUB. GREAT FALLS HAD EXCELLENT TRANSPORTATION FACILITIES, INCLUDING A BIG AIRPORT AND AN OUTSTANDING RAIL AND INTERSTATE HIGHWAY NETWORK. GREAT FALLS WAS ALSO NEAR THE WEST COAST AND OFFERED EFFICIENT CUSTOMS SERVICES AND ADVANTAGEOUS TAX BENEFITS.

10. (U) SENATOR BAUCUS SAID THAT HE LOOKED FORWARD TO HOSTING A THAI FTA DELEGATION LED BY COMMERCE MINISTER WATTANA MUANGSUK THE FOLLOWING WEEK IN WASHINGTON.

SHRIMP AD PETITION AND COWHIDES

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11. (SBU) SURAKIART SAID THAT THE SHRIMP ANTI-DUMPING PETITION FILED BY THE US DOMESTIC SHRIMP INDUSTRY PRESENTED A BIG PROBLEM FOR THAILAND. THE AD MARGIN OF 57 PERCENT WAS NOT REASONABLE, HE SAID. THAILAND DID NOT SUBSIDIZED SHRIMP PRODUCTION; THAI SHRIMP EXPORTERS WERE NOT ENGAGED IN DUMPING, BECAUSE THE MARKET WAS COMPETITIVE. AS SOUTHERN THAILAND, HOME TO THE NATION'S ISLAMIC POPULATION, PRODUCED A LOT OF SHRIMPS, THE AD PETITION WAS A POLITICAL PROBLEM TOO, LIKELY TO EXACERBATE ANTI-US SENTIMENTS IN THIS REGION.

12. (SBU) SENATOR BAUCUS SAID THAT HE WAS NOT AWARE OF THE ISSUE, BUT THAT THAI SENSITIVITIES ON THE SHRIMP PETITION WERE UNDERSTANDABLE. ON ANOTHER TRADE ISSUE, THE SENATOR THANKED SURAKIART AND THAKSIN FOR FORMALLY LIFTING THE BAN ON COWHIDES FROM THE US, WHICH HAD BEEN IN PLACE SINCE THE BSE INCIDENT LATE LAST YEAR. THE SENATOR ALSO ASKED WHEN THE THAI BAN ON US BEEF MIGHT BE LIFTED. BOTH THAKSIN AND SURAKIART RESPONDED THAT THAILAND WOULD WELCOME US BEEF AS SOON AS THE OIE (WORLD ORGANIZATION FOR ANIMAL HEALTH) CERTIFIED IT.

THAI ECONOMY AND POLITICS

13. (SBU) THAKSIN SAID THAT HE WAS VERY PLEASED WITH THE CURRENT OUTLOOK FOR THE THAI ECONOMY. HIS PRIORITY ON ASSUMING THE PREMIERSHIP HAD BEEN TO STRENGTHEN THE RURAL SECTOR, WHICH SUFFERED FROM A CHRONIC LACK OF ACCESS TO CAPITAL. HE HAD THEREFORE SET OUT TO MOVE CAPITAL OUT OF URBAN AREAS, WHICH IN FACT SUFFERED FROM &EXCESS LIQUIDITY,⁸ INTO RURAL VILLAGES. THROUGH THE VILLAGE FUND AND OTHER PROGRAMS, THE RURAL SECTOR HAD RECEIVED AN INFUX OF CAPITAL, RESULTING IN A MAJOR TURNAROUND OF THE &GRASS-ROOTS ECONOMY.⁸ NOW, HE SAID, THE THAI ECONOMY WAS GROWING AT WELL OVER 5 PERCENT, INDICATING THAT MIDDLE CLASS WAGES AND LIVING STANDARD WERE RISING AS WELL. REGARDING THE POLITICAL OUTLOOK, THAKSIN SAID THAT HE WAS OPTIMISTIC THAT HIS THAI RAK THAI (TRT) PARTY WOULD DO VERY WELL IN THE UPCOMING ELECTIONS. POLLS SHOWED THAT THE PUBLIC PREFERRED TRT OVER THE OPPPOSITION 79-TO-21. THAKSIN SAID HE EXPECTED TO WIN 400 OUT OF 500 SEATS.

14. (U) CODEL BAUCUS DID NOT HAVE AN OPPORTUNITY TO REVIEW THIS MESSAGE BEFORE DEPARTURE.
JOHNSON

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